

The Women's Health Benefits Study Executive Summary



Carrier Survey of Washington State Health Insurance Benefits and Consumer Survey of Willingness to Pay for a Contraceptive Health Insurance Benefit 2000-2001

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The Women's Health Benefits Study

Introduction

Across the lifespan a woman's health care needs are distinct from those of men, particularly in areas such as early development, reproduction, aging, cardiovascular function and disease, malignancy, immune function and infectious diseases. Advocates and policy makers have only recently addressed the fact that women's health care needs are not consistently being met in terms of equal gender representation. Inequities may occur in clinical trials of new medical treatments, diagnoses, access to needed health care, and in coverage of services used only by women, such as reversible contraceptive methods. These methods include oral contraceptives, the diaphragm, the intrauterine device (IUD), the hormonal implant (Norplant) and injectable (Depo Provera).

A groundbreaking study conducted in 1998 by the Office of the Insurance Commissioner (OIC) found low levels of benefit coverage for reproductive and sexual health services in private insurance plans in Washington State. Two years later, the OIC commissioned the Women's Health Benefit Study to 1: determine in more detail the coverage level for a range of specific services women may need throughout their lives (Carrier Survey), and 2: determine whether the public is supportive of a private health insurance benefit for contraceptive coverage (Consumer Survey). The findings of these two study components are contained in this report.

I. Women's Health Insurance Benefit: Carrier Survey

In 1998, the Washington State Office of the Insurance Commissioner (OIC) conducted a survey reviewing the benefit coverage of services related to the reproductive and sexual health of women, men and families. Specifically, the 1998 survey examined coverage for routine gynecological care, maternity services, contraception and family planning, pregnancy termination, infertility, reproductive cancer screening, sexually transmitted diseases (STDs), HIV/AIDS, and sterilization. Wide variations in coverage of core services were identified, especially for women's health benefits. The most striking finding was the degree to which coverage for contraception and family planning services, devices, and medications lagged behind other health service coverage.

In 2000, a follow-up survey was conducted that focused on coverage for a broader range of women's health services. Included in the survey were 114 plans that served the following markets: large and small groups (44%); large groups (33%); Indemnity (14%); Medical Assistance Administration (5%); and Health Care Authority (4%). Breakdown of plan by type revealed that 45% of plans were Primary Care 'gatekeeper' or HMO-type managed care, 25% were Point of Service (POS) plans, 23% were Preferred Provider Organizations (PPOs) and 8% Indemnity.

These plans represented coverage of 1,821,417 lives, with approximately 39% being females. Sixty-four percent of women were in the 15-44 year age group, while 36% were in the 45 years and older age group. Coverage was re-examined for gynecological care, maternity services, contraception and family planning, infertility, cancer screening, STDs and HIV. New categories included preventive care, mental health and midlife health. Survey methodology can be found in the final report at www.insurance.wa.gov

Carrier Survey Findings

Gynecological Care

Coverage levels remained relatively high (98%-100%) and statistically unchanged since 1998 for Pap smears, chlamydia screening, mammograms, annual exams and clinical breast exams.

Maternity Services

Coverage for preconceptual care, prenatal testing, prenatal care, hospital delivery and postpartum care were relatively unchanged among plans from 1998 to 2000.

Home delivery coverage declined in HMO, PPO and Indemnity plans since 1998, a statistically significant decrease in coverage over the two-year period. Only POS plans showed a small increase in coverage (from 53% in 1998 to 64% coverage in 2000).

Birth unit delivery coverage remained constant.

Contraceptive Services

Although nearly half of all the surveyed plans still excluded comprehensive contraceptive coverage, the 2000 survey showed a statistically significant increase in coverage for 'core' contraceptive and family planning services over those reported in the 1998 OIC Reproductive Health Benefits survey. Overall, 54% of plans covered all five reversible contraceptive services that are considered part of a comprehensive 'core': oral contraceptives, diaphragms, IUDs, hormonal implants (Norplant) and injectables (Depo Provera). Compared with the 1998 findings, around one-third more HMO plans now appeared to offer all core services (from 50% in 1998 to 66% in 2000); such coverage was nearly five-fold higher for PPO plans (from 6% to 27%) and POS plans (from 15% to 73%) than in 1998. Since most enrollees (81%) were in HMO and PPO plans, coverage increases in these plan types can have a large population effect.

Sixty-nine percent of female subscribers in the 15-44 year age group had coverage for all five core services. This means that approximately 141,000 women ages 15-44 who may need contraceptive services were still in plans that will not pay for them.

Most (81%) plans covered one or more contraceptive services, the most common

being coverage for oral contraceptive pills. However one in five plans still provided **no** contraceptive method coverage of any kind, as compared with one in two plans in the 1998 survey.

Because there was a concern that some plans sold with a prescription drug benefit might exclude contraceptives from the prescription drug formulary, a question regarding this practice was added to the year 2000 survey. In the 2000 survey, 82% of plans (93 of 114) had a prescription drug benefit, some with restrictions. Of these 93 plans that had a prescription drug benefit, 12% (11 of 93) excluded all five FDA-approved contraceptive methods, while 62% (57 of 93) covered all five FDA-approved contraceptive methods. Thus, around one in ten plans in the 2000 survey were sold with a prescription drug benefit that excluded contraception from the formulary.

Infertility

Overall, there was no statistically significant difference in coverage for infertility diagnosis or treatment between 1998 and 2000. All surveyed plans covered endometrial biopsy, a statistically significant change from the 1998 survey. Coverage – although with restrictions – for treatment of endometriosis remained high across both surveys. The rate of coverage for Assistive Reproductive Technologies remained low at 18% overall. The 1998 survey showed no such coverage.

Cancer Screening

As in 1998, mammography, breast cancer mastectomy and lumpectomy, and breast reconstruction were all covered at 100%. (The latter is required by law in Washington). However, there has been a statistically significant decrease (77% across all plan types) in coverage for post-operative physical therapy.

Sexually Transmitted Diseases (STD)

As in the 1998 survey, coverage rates remain near 100% for STD counseling, screening, diagnosis and treatment.

Human Immunodeficiency Virus (HIV)

Coverage for HIV counseling, testing and treatment remained at the essentially 100% level seen in 1998. Coverage of anti-HIV drugs including protease inhibitors was reported to remain high at around 96% of all plan types.

New Survey Sections

The following sections were new to the 2000 survey:

Preventive Care

Chronic disease management and diabetes care were covered by most plans. Tobacco screening and treatment coverage ranged from 22% to 82%. Coverage rates for cardiovascular wellness programs were higher post-event (82% overall) than pre-event (39% overall). Treatment of obesity – whether by surgery, prescription drug or behavior modification – showed a wide range of coverage, from no treatment coverage at all, to a high of 61% for the surgical option.

Mental Health

Coverage for depression screening and treatment, anxiety screening and treatment, inpatient and outpatient treatment, and prescription drugs was moderate (67%) to high (100%) across all plan types. Addiction screening and treatment coverage rates ranged from 67% to 93%.

Midlife Health

Essentially all plans (98%-99% overall) covered services for incontinence screening and treatment, menopause hormone replacement therapy, menopause alternative therapies (i.e herbal treatment), arthritis/immune disorders screening and treatment, osteoporosis screening and treatment (including prescription drugs), and bone density screening.

II. Willingness to Pay for a Contraceptive Insurance Benefit: Consumer Survey

In Washington State and nationally, there has been public and legislative debate about coverage of contraceptive services in health insurance plans. Contraceptive services generally include currently FDA-approved reversible methods for women (oral contraceptives, diaphragm, IUD, Norplant, Depo Provera), male and female condoms,¹ and sterilization. Half of Washington health insurance plans did not cover any contraceptive method in 1998.

It is known that the seven percent of 15-44 year old women who do not use contraceptives account for around half of all unplanned pregnancies in the U.S. The unintended pregnancy proportion in Washington State was 53% of all pregnancies from 1997 to 1999. Lowering the considerable costs of unintended pregnancies contributes to overall societal good. Contraceptive methods, when properly used and when accessible, **save** more money than they cost by reducing the costs associated with unwanted and mistimed pregnancies.

The value of contraceptive and safer sex services occurs on several levels:

- a direct or optional use value for those individuals who want to prevent unwanted and mistimed pregnancies, and reduced STD transmission;
- a social and economic value to those who pay into a health plan, regardless of their personal use of contraceptives, and;
- a broader societal value in terms of the costs and problems associated with unintended pregnancies and births.

Consumer Survey Methods

We conducted a survey of opinion regarding availability and willingness to pay for contraceptive health insurance benefits. “Willingness to pay” is a measure of how much people value a good or service. The statewide sample came from a random digit dial telephone survey of 149 men and 182 women ($n = 331$) ages 18 years or older. We used a method called “contingent valuation” to determine the maximum amount that people would be willing to pay to have contraceptives covered in health insurance plans. We built in several rigorous checks to ensure that the dollar figure that people said they were willing to pay was valid. Please see the full report at www.insurance.wa.gov for a complete explanation of research methods and statistical analysis.

Consumer Survey Findings

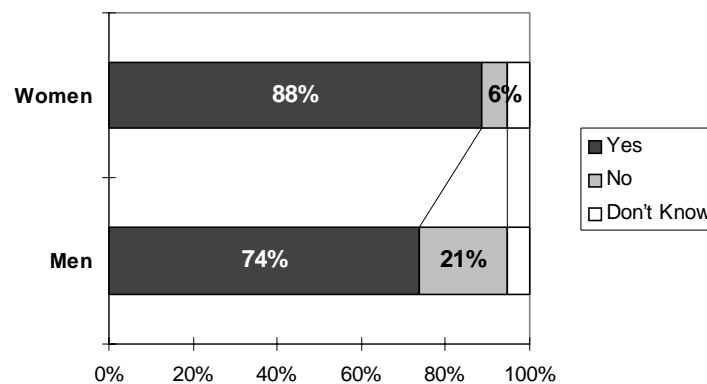
Question: Should insurance plans cover the cost of contraceptives?

Finding: *Eighty-seven percent of people who answered the survey said that they thought contraceptives should be covered by insurance plans.*

Other interesting results include:

Three out of four men and nine out of 10 women answered ‘yes.’ More men (21%) than women (6%) said ‘no.’ This difference was statistically significant (see Figure 1).

Figure 1: Contraceptive Coverage Opinion, by Gender



Women were almost six times more likely to support insurance coverage than were men, after taking into account people’s income, job status, age and health insurance source.

People who were unemployed were more likely to support coverage than were people employed.

As might be expected, younger people, who are more likely to be currently using contraception or to want the option of using contraception, were willing to pay more for this benefit than were older people.

Question: How much are people willing to pay for a contraceptive insurance benefit?

Finding: *Nearly all respondents (96%) were willing to pay more than the actuarial cost of providing contraceptive coverage.*

All respondents were asked the amount that they would be willing to pay in higher insurance premiums for a contraceptive benefit. The average amount people were willing to pay was \$8.79 per month. This figure is more than four and one-half times the actuarial cost (\$1.93/month) for adding such a benefit.

Our statistical analysis controlled for important characteristics that might affect someone's willingness to pay for a contraceptive insurance benefit. Adjusting for these factors, such as people's gender, age, and income, showed that women were willing to pay 27% more per month than men. Younger people (women less than 45 years old and men less than 55 years old) were willing to pay more than those who were older. This latter group generally no longer uses contraception.

Question: Who uses contraception in Washington State?

Finding: More than two-thirds of the respondents (67%) were using at least one contraceptive/safer sex method, with no statistical difference by gender.

The most common methods used by women were female sterilization and oral contraceptives (51% total). Men tended to rely on methods used by their female partners (41%), or on sterilization or male condoms.

Question: How many people have a contraceptive benefit in their health insurance plan now?

Finding: Whether they had insurance or not, one in 10 respondents said that they paid out-of-pocket for their contraception.

Most individuals in the survey had some form of public or private health insurance coverage.

About one in four non-Medicare enrollees who knew their insurance benefits said that their insurance covered the cost of contraceptives (defined in the survey as hormonal, surgical, or barrier methods to prevent pregnancies).

Based on people's answer to this question we estimate that contraceptive coverage in the year 2000 may have ranged from 24% to 54% of all enrollees.

Summary of the Consumer Survey

Most respondents had an opinion about a contraceptive health insurance benefit. Eighty-seven percent of those voicing an opinion felt that it should be covered as part of health insurance plans. Based on insured individuals' responses, as few as one out of four or only up to one out of two, individuals were enrolled in plans that covered contraceptives. This represents the respondents' understanding of their coverage, not the actual verified coverage. Contraceptives are widely used with more than two out of three women and men saying that they currently used one or more methods.

It has been estimated to cost approximately \$2 per employee, per month to add a contraceptive benefit to a health plan. The average willingness to pay among respondents in this study is higher than this amount for all subgroups. This is true even among older respondents who presumably do not use contraceptives.

There appears to be a 'gender' effect whereby women are willing to pay slightly more to have contraceptives covered in health plans than are men.

CONCLUSION: WOMEN'S HEALTH BENEFITS STUDY

The Carrier Survey shows that the insurance market is lagging behind public demand in providing comprehensive coverage for relevant services to all people who may need them. Results from the 2000 Carrier Survey show that while there was a statistically significant increase in core contraceptive services coverage, the increase was from 30% to only 54% of all plans. Thus, half the plans do not pay for the five reversible methods needed by women, and one in five plans still do not pay for any method at all.

The contraceptive coverage findings from the Carrier Survey are somewhat in conflict with those reported by insured individuals in the Consumer Survey. Reasons for this discrepancy may include recall bias, variance in responses due to differences in interpretation of the questions asked, a time lag between coverage that current policyholders have when compared to those who have policies that are more recent, and the possibility that one or both of the samples were not representative of the population under consideration.

In the population-based consumer survey, we found strong support for a contraceptive health insurance benefit. People were willing to pay almost \$9 per month for a benefit estimated to cost \$2 per month to provide. The benefit to cost ratio for contraceptive health insurance coverage is high, at 4.6. Strengths of the consumer survey include representative sampling – these data represent broad-based constituent values. Contraceptive coverage in health insurance plans appears to be highly valued by Washington State citizens.

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